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**Sabine Parish School Board
Many, Louisiana**

**Financial Statements and
Independent Auditor's Reports
as of and for the Year Ended
June 30, 2014**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 14 2015**

**Fortenberry & Ballard, PC
Certified Public Accountants**

SABINE PARISH SCHOOL BOARD

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FINANCIAL AUDIT REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION**

Superintendent and School Board
Sabine Parish School Board

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sabine Parish School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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BRANDON, MISSISSIPPI 39047
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 to 18 and 53 to 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sabine Parish School Board's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133), the combining nonmajor fund financial statements, Agency Fund - Schedule of Changes in Deposit Balances of Individual School Activity Fund, Capital Assets Information and the Schedule of Compensation Paid Board Members are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133), are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the accompanying supplementary information mentioned above is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2014, on our consideration of the Sabine Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sabine Parish School Board's internal control over financial reporting and compliance.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
October 21, 2014

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**SABINE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

The following discussion and analysis of Sabine Parish School Board's financial performance provides an overall of the School Board's financial activities for the year ended June 30, 2014. The intent of this discussion and analysis is to look at the School Board's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the School Board's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in this district's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the district's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- Total net position for 2014 decreased \$3,074,954, including a prior period adjustment of (\$2,352), which represents an 18% decrease from fiscal year 2013.
- General revenues account for \$36,442,727 in revenue, or 78% of all revenues. This amount was less than the general revenues reported for the year 2013 of \$40,272,334, but was about the same percentage of total revenue, at 80%. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,518,741 or 22% of total revenues, compared with \$10,207,718 or 20% in 2013.
- Sabine Parish School Board had \$50,034,070 in expenses, a decrease of 3% from \$51,665,492 in expenses from the prior year. Of these expenses, \$10,518,741 was offset by program specific charges for services, grants and contributions.
- Among major funds, the General Fund had \$32,639,876 in revenues and \$34,901,757 in expenditures. In comparison with 2013, the General Fund had \$35,767,947 in revenues and \$37,518,487 in expenditures. The General Fund's fund balance decreased \$2,190,649 over the prior year.
- Capital assets, net of accumulated depreciation, decreased by \$121,997. Capital assets decreased from 2013 due primarily to the recording of depreciation expense coupled with the retirements/adjustments to buildings and improvements and vehicles and equipment.
- Long-term debt increased by \$15,568,150. This increase from prior year was due to the issuance of general obligation bonds in the amount of \$17,225,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the School Board's basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information, supplementary information, and other information.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the School Board's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all the School Board's nonfiduciary assets and liabilities, with the differences between the two reported as "net position". Over time, increases or decreases in School Board's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

The Statement of Activities presents information showing how the School Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements outline functions of the School Board that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the School Board include instruction, support services, food services, community service programs, and interest on long-term debt.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - Most of the School Board's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the School Board's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may gain a better understanding of the long-term impact of the School Board's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014

governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains individual governmental funds in accordance with the *Louisiana Accounting & Uniform Governmental Handbook*, published by the Louisiana Department of Education. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in these reports as other governmental funds.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School Board. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the School Board's own programs. These funds are reported using the accrual basis of accounting. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and note proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the financial statements.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules as required supplementary information. The School Board adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund as required by the Governmental Accounting Standards Board.

Supplementary Information

Additionally, a Schedule of Expenditures of Federal Awards as required by OMB Circular A-133, the combining an individual nonmajor fund financial statements, Schedule of Changes in Deposit Balances of Individual School Activity Fund, Capital Asset Information and the Schedule of Compensation Paid Board Members can be found in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of government's financial position. Assets exceeded liabilities by \$13,835,915 as of June 30, 2014.

The School Board's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the other post-employment benefits liability, the acquisition and disposal of capital assets and the depreciation of capital assets.

Table 1 presents a summary of the School Board's net position at June 30, 2014 and June 30, 2013.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Table 1
Condensed Statement of Net Position

	June 30, 2014	June 30, 2013	Percentage Change
Current assets	\$47,380,547	\$32,966,420	43.72%
Capital assets, net	24,648,540	24,770,537	-0.49%
Total assets	\$72,029,087	\$57,736,957	24.75%
Current liabilities	10,715,356	10,908,797	-1.77%
Long-term debt outstanding	47,477,816	29,917,291	58.70%
Total liabilities	58,193,172	40,826,088	42.54%
Net position:			
Net investment in capital assets	-4,205,639	11,405,502	-136.87%
Restricted	20,844,050	8,680,767	140.12%
Unrestricted	-2,802,496	-3,175,400	-11.74%
Total net position	\$13,835,915	\$16,910,869	-18.18%

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- Decrease in net capital assets in the amount of \$121,997.
- The principal retirement of \$1,735,856 of long-term debt.
- Issuance of general obligation bond in the amount of \$17,225,000.

Changes in net position

The School Board's total revenues for the fiscal years ended June 30, 2014 and 2013 were \$46,961,468 and \$50,480,052, respectively. The total cost of all programs and services was \$50,034,070 for 2014 and \$51,665,492 for 2013.

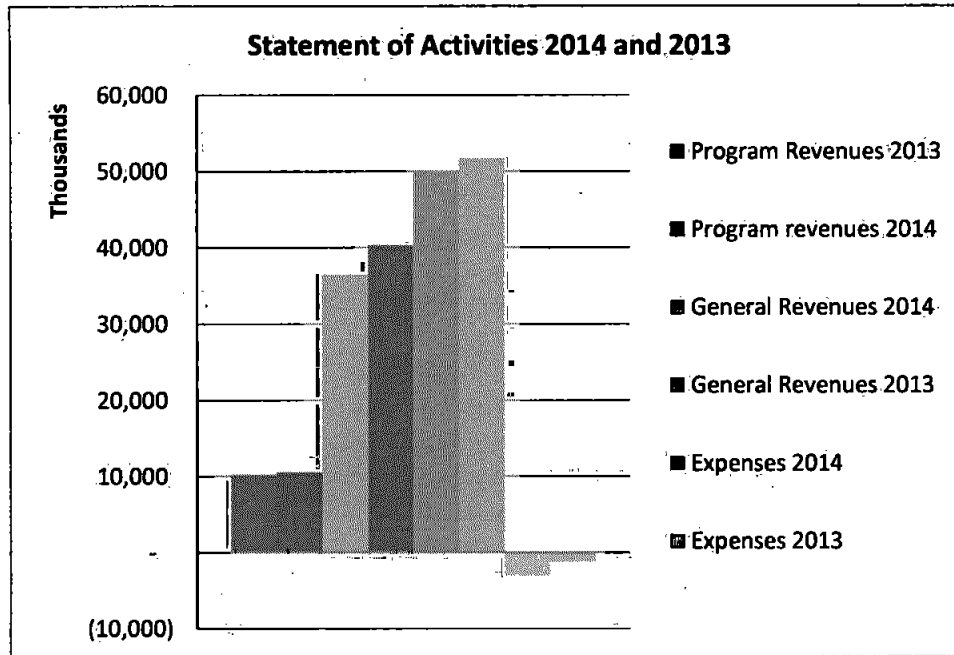
Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Table 2
Changes in Net Position

	For the Year Ended June 30, 2014	For the Year Ended June 30, 2013	Percentage Change
Revenues:			
<u>Program revenues</u>			
Charges for services	\$579,356	\$764,245	-24.19%
Operating grants & contributions	9,939,385	9,443,473	5.25%
Total program revenues	10,518,741	10,207,718	3.05%
<u>General revenues</u>			
Property taxes	5,410,084	5,282,509	2.42%
Sales and use taxes	8,520,249	9,683,517	-12.01%
State revenue sharing	154,414	153,000	-0.92%
Minimum foundation program	21,664,650	24,814,569	-11.66%
Other unrestricted revenues	256,105		
Federal revenue in lieu of taxes	277		
Interest & investment earnings	419,058	244,348	71.50%
Miscellaneous	17,890	94,391	-81.05%
Total general revenues	36,442,727	40,272,334	-9.51%
Total Revenues	46,961,468	50,480,052	-6.97%
Expenses:			
Instruction	27,753,955	29,523,435	-5.99%
Support services	18,567,367	18,237,394	1.81%
Food services	2,996,551	3,144,068	-4.69%
Community service programs	197,322	167,595	17.74%
Interest on long-term debt	518,875	593,000	-12.50%
Total Expenses	50,034,070	51,665,492	-3.16%
Change in net position	-3,072,602	-1,185,440	159.20%
Net position, Beginning, as previously reported	16,910,869	18,096,309	-6.55%
Prior period adjustment	-2,352		
Net position, Beginning, as restated	16,908,517	18,096,309	-6.56%
Net position, June 30, 2014	\$13,835,915	\$16,910,869	-18.18%

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014



Governmental activities

The following table presents the cost of the five major School Board functional activities: instruction, support services, food services, community service programs, and interest on long-term debt. The table also shows each functional activity's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost presents the financial burden that was placed on the State and School Board's taxpayers by each of these functions.

			2014	2013
Functional expenses	2014 Expenses	2013 Expenses	Net (Expense)/ Revenue	Net (Expense)/ Revenue
Instruction	\$27,753,955	\$29,523,435	(\$25,030,841)	(\$26,672,624)
Support services	18,567,367	18,237,394	(11,709,554)	(11,347,838)
Food services	2,996,903	3,144,068	(2,058,737)	(2,676,717)
Community service programs	197,322	167,595	(197,322)	(167,595)
Interest on long-term debt	518,875	593,000	(518,875)	(593,000)
Total	<u>\$50,034,070</u>	<u>\$51,665,492</u>	<u>(\$39,515,329)</u>	<u>(\$41,457,774)</u>

- Net cost of governmental activities \$39,515,329, was financed by general revenues. General revenues consist of the Minimum Foundation Program funding, \$21,664,650, Other unrestricted revenues, \$256,105, Federal revenue in lieu of taxes, \$277, property taxes, \$5,410,084, sales and use taxes, \$8,520,249, investment earnings, \$419,058, state revenue sharing, \$154,414, and miscellaneous revenues, \$17,890.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014

FINANCIAL ANALYSIS OF THE SCHOOL BOARD'S FUNDS

As noted earlier, the School board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the School Board's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Board's net resources available for spending at the end of the fiscal year.

The financial performance of the Board as a whole is reflected in its governmental funds. As the Board completed the year, its governmental funds reported a combined fund balance of \$37,001,411, an increase of \$14,779,890. \$11,349,940 or 31% of the fund balance is unassigned, which represents the residual classification for the general fund's fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes within the general fund. The remaining fund balance of \$25,651,471 or 69% is either nonspendable, restricted, or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted or assigned.

The General Fund is the principal operating fund of the Board. The decrease in fund balance in the General Fund for the fiscal year was \$2,190,649. The fund balance of Other Governmental Funds increased \$1,108,582.

BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revised the annual operating budget. Historical data, tentative allocations of state and federal funds, legislative mandates, and anticipated needs are used to determine original budget amounts.

The Board's original budget was prepared with the Board's goals and long range commitments in mind, using historical data, tentative allocations or estimates of state and federal funds, legislative mandates, staffing studies, and current and anticipated needs. Over the course of the year, the Board revised the annual operating budget as changes occurred.

At the time the original budget was prepared only estimates were available for federal funding. Typically original budgets are prepared using prior year allocation as estimates. Once federal awards were known, budgets were amended to the actual grant award amount. Over the course of the year, the Board revised the annual operating budget.

A schedule showing the original and final budget amounts compared to the Board's actual financial activity for the General Fund is provided in this report as required supplementary information.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2014, the Board's total capital assets were \$50,546,623, including land, construction in progress, school buildings, buses, other school vehicles, furniture and equipment. This amount represents an increase of \$914,706 from the previous year. Total accumulated depreciation as of June 30, 2014 was \$25,898,083, and total depreciation expense for the year was \$1,496,423, resulting in total net capital assets of \$24,648,540.

	2014	2013	Percentage Change
Land	\$321,743	\$ 321,743	0%
Construction in progress	1,250,145		
Buildings & improvements	21,287,485	22,429,606	-5.09%
Vehicles & equipment	1,789,167	2,019,188	-11.39%
Total	<u>\$24,648,540</u>	<u>\$ 24,770,537</u>	-0.49%

Additional information about the Board's capital assets can be found in Note 6 of this report.

Debt Administration. At June 30, 2014, the District had \$27,680,179 in general obligation bonds outstanding, \$1,174,000 constitutes other long-term debt outstanding, and \$733,255 in compensated absences payable, of which \$2,061,004 is due within one year.

	2014	2013	Percentage Change
Compensated absences payable	\$733,255	\$ 654,249	12.08%
Certificates of indebtedness	1,174,000	1,363,498	-13.90%
General obligation bonds payable	27,680,179	12,001,537	130.64%
Total long-term debt	<u>\$29,587,434</u>	<u>\$ 14,019,284</u>	111.05%

Additional information of the Board's long-term debt can be found in Note 12 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Sabine Parish School Board elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees.

1. Minimum foundation program revenues
2. Taxes (ad valorem and sales)
3. Intergovernmental revenues (federal and state grants)

The Sabine Parish School Board does not expect any significant changes in next year's results as compared to the current year.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2014

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The financial report is designed to provide citizens, taxpayers, parents, students, and investors and creditors with a general overview of the school board's finances and to show the school board's accountability for the financial resources it receives. If you have questions about this report, please contact Dr. Sara Ebarb, Superintendent or Mr. Rodney Wilson, Director of Business Services, at the Sabine Parish School Board, PO Box 1079, Many, LA 71449, telephone number (318) 256-9258.

BASIC FINANCIAL STATEMENTS

SABINE PARISH SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 29,777,095
Investments	11,495,817
Receivables	5,996,908
Inventory	102,442
Other current assets	8,285
Capital assets:	
Capital assets (net of accumulated depreciation):	
Land	321,743
Construction in progress	1,250,145
Buildings & building improvements	21,287,485
Furniture & equipment	1,789,167
Total Assets	72,029,087
Liabilities	
Accounts, salaries, and other payables	8,959,210
Other current liabilities	1,419,926
Accrued interest payable	336,220
Long-term liabilities (due within one year):	
Capital related liabilities	2,024,341
Non-capital related liabilities	36,663
Long-term liabilities (due beyond one year):	
Capital related liabilities	26,829,838
Non-capital related liabilities	696,592
Other postemployment benefits liability	17,890,382
Total Liabilities	58,193,172
Net Position	
Net Investment in Capital Assets	(4,205,639)
Restricted For:	
Debt Service	2,069,625
Capital Projects	18,774,160
Workers' Compensation	265
Unrestricted	(2,802,496)
Total Net Position	\$ 13,835,915

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	17,132,662	172,975	656,515	(16,303,172)
Special programs	4,727,638	--	--	(4,727,638)
Vocational programs	1,387,577	--	--	(1,387,577)
All other programs	4,506,078	--	1,893,624	(2,612,454)
Support services:				
Student services	2,366,769	--	17,507	(2,349,262)
Instructional staff support	3,350,449	--	5,259,721	1,909,272
General administration	2,230,195	--	--	(2,230,195)
School administration	2,168,214	--	--	(2,168,214)
Business services	494,280	--	--	(494,280)
Plant services	4,202,434	--	--	(4,202,434)
Student transportation services	3,156,356	--	--	(3,156,356)
Central services	598,670	--	1,580,585	981,915
Food services	2,996,551	406,381	531,433	(2,058,737)
Community service programs	197,322	--	--	(197,322)
Interest on long-term debt	518,875	--	--	(518,875)
Total Governmental Activities	<u>\$ 50,034,070</u>	<u>\$ 579,356</u>	<u>\$ 9,939,385</u>	<u>(39,515,329)</u>
Taxes:				
Property taxes, levied for general purposes				4,146,435
Property taxes, levied for debt services				1,250,579
Property taxes				13,070
Sales and use taxes, levied for general purposes				8,520,249
State revenue sharing				154,414
Grants and contributions not restricted to specific purposes:				
State Source - Minimum Foundation Program				21,664,650
State Source - Other Unrestricted Revenues				256,105
Federal Revenue in Lieu of Taxes				277
Interest and investment earnings				419,058
Miscellaneous				17,890
Total general revenues				<u>36,442,727</u>
Change in net position				<u>(3,072,602)</u>
Net position, Beginning, as previously reported				16,910,869
Prior period adjustment				(2,352)
Net position, Beginning, as restated				<u>16,908,517</u>
Net position, June 30, 2014				<u>\$ 13,835,915</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Many Elementary Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 13,995,174	\$ 4,932,517	\$ 10,849,404	\$ 29,777,095
Investments	100,000	11,395,817	—	11,495,817
Receivables	3,672,577	—	2,324,331	5,996,908
Inventories	—	—	102,442	102,442
Other current assets	8,285	—	—	8,285
Total Assets	\$ 17,776,036	\$ 16,328,334	\$ 13,276,177	\$ 47,380,547
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts, salaries, and other payables	\$ 6,189,456	\$ 466,377	\$ 2,303,377	\$ 8,959,210
Deposits due others	236,375	—	1,183,551	1,419,926
Total Liabilities	6,425,831	466,377	3,486,928	10,379,136
Fund Balances:				
Restricted:				
Workers' compensation	265	—	—	265
Debt service	—	—	2,405,845	2,405,845
Capital projects	—	15,861,957	2,912,203	18,774,160
Food service	—	—	1,326,855	1,326,855
Other purposes	—	—	3,144,346	3,144,346
Unassigned	11,349,940	—	—	11,349,940
Total Fund Balances	11,350,205	15,861,957	9,789,249	37,001,411
Total Liabilities and Fund Balances	\$ 17,776,036	\$ 16,328,334	\$ 13,276,177	\$ 47,380,547

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total fund balances for governmental funds	\$ 37,001,411
--	---------------

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not reported in the funds.	24,648,540
Liabilities due in one year are not reported in the funds.	(2,061,004)
Payables for bond principal which are not due in the current period are not reported in the funds.	(25,861,838)
Payables for bond interest which are not due in the current period are not reported in the funds.	(336,220)
Payables for notes which are not due in the current period are not reported in the funds.	(968,000)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(696,592)
Other post-employment liability is not reported in the funds.	<u>(17,890,382)</u>

Net position of governmental activities	<u>\$ 13,835,915</u>
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The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	General Fund	Many Elementary Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Taxes:				
Ad valorem	\$ 2,487,586	\$ --	\$ 2,922,498	\$ 5,410,084
Sales and use	6,816,954	--	1,703,295	8,520,249
Interest earnings	52,982	7,670	15,339	75,991
Charges for services	--	--	406,381	406,381
Other	190,165	--	10,947	201,112
Total Local Sources	9,547,687	7,670	5,058,460	14,613,817
State sources:				
Minimum Foundation Program	21,386,612	--	278,038	21,664,650
Other	1,705,300	--	58,727	1,764,027
Total State Sources	23,091,912	--	336,765	23,428,677
Federal Sources	277	--	8,557,740	8,558,017
Total Revenues	32,639,876	7,670	13,952,965	46,600,511
Expenditures:				
Current:				
Instruction:				
Regular programs	15,374,010	--	326,235	15,700,245
Special programs	4,148,704	--	578,934	4,727,638
Vocational programs	1,343,463	--	44,114	1,387,577
All other programs	1,544,262	--	2,961,816	4,506,078
Support services:				
Student services	1,343,249	--	130,227	1,473,476
Instructional staff support	1,492,421	--	1,999,257	3,491,678
General administration	650,457	59,033	137,636	847,126
School administration	2,090,828	--	77,386	2,168,214
Business services	489,833	--	4,447	494,280
Plant services	2,508,387	--	1,254,803	3,763,190
Student transportation services	2,812,150	--	254,421	3,066,571
Central services	590,891	--	7,779	598,670
School food services	62,735	--	2,904,256	2,966,991
Community service programs	182,194	--	15,128	197,322
Capital outlay	89,398	1,311,343	282,737	1,683,478
Debt service:				
Principal retirement	156,000	--	1,579,856	1,735,856
Interest and bank charges	21,475	--	497,400	518,875
Other	1,300	337	4,574	6,211
Total Expenditures	34,901,757	1,370,713	13,061,006	49,333,476
Excess (Deficiency) of Revenues over Expenditures	(2,261,881)	(1,363,043)	891,959	(2,732,965)
Other Financing Sources (Uses):				
Transfers in	525,691	--	581,826	1,107,517
Transfers Out	(398,500)	--	(709,017)	(1,107,517)
General Obligation Bonds Issued	--	17,225,000	--	17,225,000
Accrued Interest and Premium on Bonds Sold	--	--	343,067	343,067
Sale of Capital Assets	17,143	--	747	17,890
Local Revenue Transfers - Charter Schools	(73,102)	--	--	(73,102)
Total Other Financing Sources (Uses)	71,232	17,225,000	216,623	17,512,855
Net Change in Fund Balances	(2,190,649)	15,861,957	1,108,582	14,779,890
July 1, 2013	13,540,854	--	8,680,667	22,221,521
June 30, 2014	\$ 11,350,205	\$ 15,861,957	\$ 9,789,249	\$ 37,001,411

The accompanying notes are an integral part of this statement.

**SABINE PARISH SCHOOL BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Net change in fund balances - total governmental funds \$ 14,779,890

Amounts reported for governmental activities in the Statement of Activities
("SOA") are different because:

Capital outlays are not reported as expenses in the SOA.	1,391,374
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,496,423)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	341,052
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(1,992,375)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,546,358
Repayment of notes principal is an expenditure in the funds but is not an expense in the SOA.	189,498
(Increase) decrease in accrued interest from beginning of period to end of period.	(172,322)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(79,006)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(17,225,000)</u>

Change in net position of governmental activities \$ (2,716,954)

The accompanying notes are an integral part of this statement.

**SABINE PARISH SCHOOL BOARD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014**

	Agency Fund
ASSETS	
Cash and Cash Equivalents	\$ 489,763
Total Assets	<u>\$ 489,763</u>
LIABILITIES	
Amounts Due to Others	\$ 489,763
Total Liabilities	<u>\$ 489,763</u>

The accompanying notes are an integral part of this statement.

Sabine Parish School Board

Notes to the Financial Statements
June 30, 2014

SABINE PARISH SCHOOL BOARD

Many, Louisiana

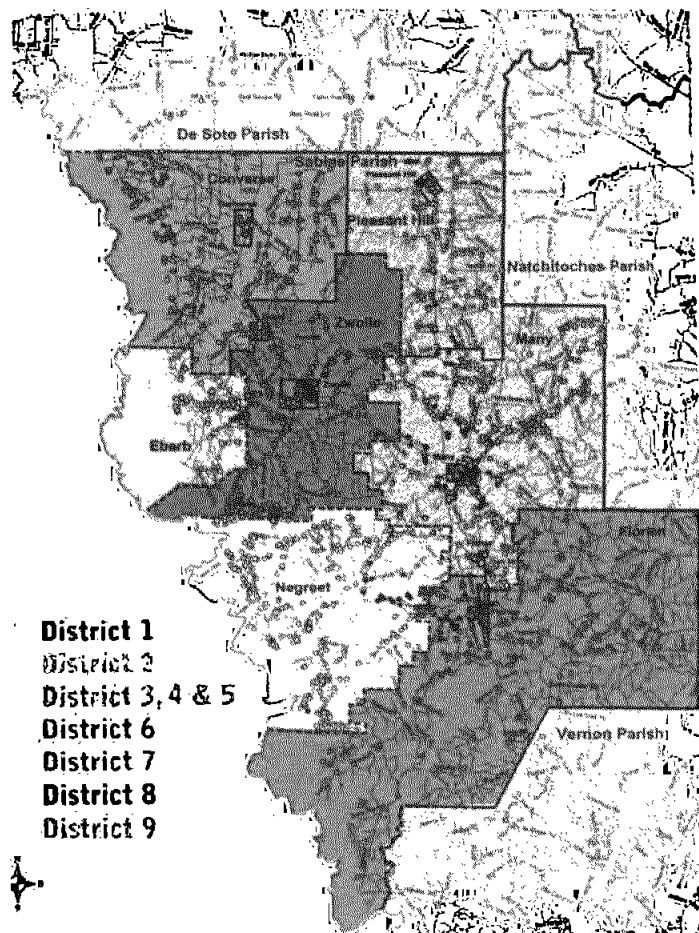
Notes to the Financial Statements

For the Year Ended June 30, 2014

INTRODUCTION

The Sabine Parish School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Sabine Parish. The school board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The school board is comprised of members who are elected from nine districts for terms of four years.

The school board operates 10 schools within the parish with a total enrollment of 4,324 pupils. The school board serves an area of approximately 1,012 square miles. The school board is the 30th largest in the State of Louisiana (among 69 school boards) in terms of enrollment. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the school board provides transportation and school food services for the students.



SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Sabine Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

B. FINANCIAL REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the school board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the school board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The school board also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the school board has a significant relationship.

C. FUNDS

The school board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain school board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the school board are classified into two categories: governmental and fiduciary, as follows:

Governmental Funds

Governmental funds account for all or most of the school board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the school board. The following are the school board's primary governmental funds:

General fund - the primary operating fund of the school board and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to school board policy.

Special revenue funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the school board to be accounted for separately.

Debt service funds - account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs.

Capital projects funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds

The only fund accounted for in this category by the school board is the agency fund. The agency fund accounts for assets held by the school board as an agent for schools, and school organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency fund has no measurement focus, but does use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the school board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

Allocation of Indirect Expenses - The school board reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fund financial statements report detailed information about the school board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The school board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure-driven federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Federal commodities are recognized as revenues in the accounting period they are received. Food service income is recorded when collected. All food service income applicable to an accounting period is collected during the fiscal year.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use tax revenues are recorded in the month collected by the tax collector.

Interest earnings are recorded when the investments have matured and the interest is available.

Revenues from rentals, leases, and oil royalties are recorded when earned. Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned. Teacher salaries are earned over a nine (9) month period, but are paid over a twelve (12) month period.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Food costs are recognized as expenditures in the period in which the food is consumed.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term debt proceeds, etc.) are accounted for as other financing sources (uses).

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

These other financing sources (uses) are recognized at the time the underlying events occur.

Unearned Revenues

The school board reports unearned revenues on its FFS balance sheet. Unearned revenues arise when resources are received by the school board before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the school board has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The school board adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the business manager, the superintendent, and the finance committee of the school board during July and/or August of each year. During August and/or September, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in an official journal. At its first meeting in September, the school board holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the school board as a whole. The budgets are then adopted, and notice is published in an official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to ensure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The superintendent of schools is authorized to transfer amounts between line items within a fund; however, when requested by the school board, budgetary comparisons are prepared and presented to the school board during a regular meeting. The school board reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments.

The adoption of the amendments is included in the school board minutes published in the official journal. Budget amounts included in the accompanying financial statements include the originally adopted and the final amended budget amounts.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of 90 days or less. Under state law, the school

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the school board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the school board, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct US Treasury Obligations, bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or the US government instrumentalities, provided that such obligations are backed by the full faith and credit of the US government. The school board may invest in savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the school board may invest in mutual or trust fund institutions, limited to 25% of the funds considered available for investment under this section. These mutual or trust fund institutions must be registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies.

Investments are stated at fair value.

H. SHORT-TERM INTERFUND RECEIVABLES/ PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. INVENTORIES

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the school board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Inventory items purchased are valued at the lower of cost, using the first-in, first-out (FIFO) method. Costs are recorded as expenditures at the time individual items are consumed (consumption method). Commodities are assigned values based on information provided by the USDA, also on a FIFO basis. The amount of commodity inventory is included in unearned revenue until consumed.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The school board maintains a threshold level of \$5,000 or more for capitalizing capital assets. Expenditures for maintenance, repairs and minor renewals are charged as an expenditure as incurred.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	N/A
Buildings and building improvements	10 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 10 years
Equipment	5 - 10 years

K. COMPENSATED ABSENCES

The School Board's policy relating to vacation leave is that all 12-month employees earn 12 days of vacation leave each year. Vacation time may be accumulated up to 20 days maximum. Upon separation, all unused vacation leave shall be paid to the employee at the next pay period at the employee's current rate of pay.

Dependent upon months employed anywhere from 10 to 12 days of sick leave can be accumulated per year and can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement, the total unused accumulated sick leave, including the 25 days paid, is included in the retirement benefits calculation as earned service.

Sabbatical leave may be granted for medical leave or for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the school board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. EQUITY CLASSIFICATION

In the government-wide statements, net position is classified, and displayed in three components:

1. Net investment in capital assets—consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position—consists of net position with constraints placed on use either by (a) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. At June 30, 2014, Sabine Parish School Board reported \$20,844,050 in restricted net position.
3. Unrestricted net position—all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Beginning with fiscal year 2011, the School Board implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance—amounts that are not in a spendable form (such as prepaid items) or are required to be maintained intact; currently there is no nonspendable fund balance for this school board.
- Committed fund balance—amounts constrained to a specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint; currently there is no committed fund balance for this school board;
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

- Assigned fund balance—amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance—amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose (such as for the purchase of capital assets, construction, debt service, or other purposes).

M. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

N. SALES TAXES

The Sabine Parish Sales Tax Commission is authorized to collect, within Sabine Parish, the following sales and use taxes for the benefit of the Sabine Parish School Board:

1. A 1% parish-wide sales and use tax with the net proceeds, after deducting cost of collection, administration, and the portion dedicated to supplement salaries of school board employees and/or operations of the public schools within the parish.
2. A one-half of 1% sales and use tax within the territorial boundaries of the Many School District (Sales Tax District No. 1) with the net proceeds, after deducting costs of collection, administration, and proceeds dedicated to construction, improving, operating and maintaining the public school building and facilities of Sales Tax District No. 1. Additionally, the school board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of Sales Tax District No. 1.
3. A one-half of 1% sales and use tax within the territorial boundaries of the Sabine Parish, excluding the Many School District (Sales Tax District No. 2), with the net proceeds, after deducting costs of collection, administration, and proceeds dedicated to construction, improving, operating and maintaining the public school building and facilities of Sales Tax District No. 2. The proceeds of the tax are to

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

be allocated for expenditures within the various schools, underlying the district, on a per pupil basis. Additionally, the school board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of the Sales Tax District No. 2.

4. A 1% parish-wide sales and use tax with the net proceeds, after deducting costs of collection, administration, and the portion dedicated to supplement salaries of school board employees.

O. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. LEVIED TAXES

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2014, taxes were levied by the School Board in August 2009, and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Sabine Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

For the year ended June 30, 2014, taxes were levied on property with net assessed valuations totaling \$169,705,800, and were dedicated as follows:

Parish-wide Taxes:

Constitutional 5.15 mills

Maintenance 8.68 mills

District Taxes:

School District No. 20 (South Sabine) - maintenance 7.82 mills, debt service 13.40 mills

School District No. 62 (Negreet) - maintenance 6.63 mills, debt service 16.00 mills

School District No. 34 (Many) - maintenance 7.23 mills, debt service 13.10 mills

School District No. 17 (Ebarb) - maintenance 16.09 mills, debt service 26.80 mills

School District No. 8 (Converse) - maintenance 12.90 mills, debt service 1.40 mills

School District No. 42 (Pleasant Hill) - maintenance 10.75 mills, debt service 1.20 mills

School District No. 61 (Zwolle) - maintenance 11.24 mills

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

Gross taxes levied for the current fiscal year totaled \$5,279,419. After deductions for various pension distributions and uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$5,410,084.

3. CASH AND CASH EQUIVALENTS

At June 30, 2014, the school board has cash and cash equivalents (book balances) totaling \$30,266,858 in interest-bearing demand deposits.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2014, the school board has \$29,446,558 in deposits (collected bank balances). These deposits are secured from risk by \$1,025,464 of federal deposit insurance and \$28,421,094 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

4. INVESTMENTS

As of June 30, 2014, the Sabine Parish School Board had the following investments:

<u>Investment type</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of deposit	n/a	1 year	\$11,495,817

Interest Rate Risk. Interest Rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Board does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction, the School Board will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Board does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2014, the School Board did not have any investments to which this would apply.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

Concentration of Credit Risk. Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure by issuer and amount of investments in any one issuer that represents five percent (5%) or more of total investments for the School Board. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of June 30, 2014, the School Board did not have any investments to which this would apply.

5. RECEIVABLES

The receivables of \$5,996,908 at June 30, 2014, are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Taxes:					
Sales and use	\$ 653,041	\$ 163,225	\$ -	\$ -	\$ 816,266
Intergovernmental grants:					
Federal		1,734,945	-		1,734,945
State	417,125	785	-	1,214	419,124
Local accounts	2,602,411	375,294	35,435	13,433	3,026,573
Total	<u>\$ 3,672,577</u>	<u>\$ 2,274,249</u>	<u>\$ 35,435</u>	<u>\$ 14,647</u>	<u>\$ 5,996,908</u>

The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

SABINE PARISH SCHOOL BOARD
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Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2014

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2014, is as follows:

	Balance, July 1, 2013	Additions	Retirements	Adjustments	Balance, June 30, 2014
Land	\$ 321,743	\$ -	\$ -	\$ -	\$ 321,743
Construction in progress	-	1,250,145	-	-	\$ 1,250,145
Buildings and improvements	44,934,441	93,202	-	-	\$ 45,027,643
Furniture and equipment	4,375,733	48,027	118,668	(358,000)	\$ 3,947,092
Total capital assets	49,631,917	1,391,374	118,668	(358,000)	50,546,623
Accumulated depreciation:					
Buildings and improvements	22,504,835	1,232,971	-	2,352	23,740,158
Furniture and equipment	2,356,545	263,452	104,072	(358,000)	2,157,925
Total accumulated depreciation	24,861,380	1,496,423	104,072	(355,648)	25,898,083
Net capital assets	\$ 24,770,537	\$ (105,049)	\$ 14,596	\$ (2,352)	\$ 24,648,540

An adjustment in the amount of \$358,000 was made to correctly present vehicles and equipment.

Depreciation expense of \$1,496,423 for the year ended June 30, 2014, was charged to the following governmental functions:

<u>Depreciation Expense:</u>	
Regular programs	\$ 2,694
General administration	1,383,069
Support services	95,696
Food services	14,964
Total depreciation expense	<u>\$ 1,496,423</u>

7. RETIREMENT SYSTEMS

Substantially all employees of the school board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8%, 9.1%, and 5% of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The school board is required to contribute at an actuarially determined rate. The current rate of annual covered payroll required contributions for the school board is 27.2%, 32.6%, and 29.1% for the Regular Plan, Plan A, and Plan B, respectively. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The school board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board.

The school board's contributions to the TRS for the years ending June 30, 2014, 2013, and 2012, were \$5,946,987, \$5,906,783, and \$6,600,303, respectively, which equaled to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute 7.5% of their annual covered salary (8% effective 7/1/2010 for new LSERS members) and the school board is required to contribute at an actuarially determined rate. The current rate is 32.30% of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The school board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

The school board's contributions to the LSERS for the years ending June 30, 2014, 2013, and 2012, were \$531,153, \$574,121, and \$664,479, respectively, which equaled to the required contributions for each year.

8. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Background

The State of Louisiana compensates its employees in a variety of ways in exchange for their services. In addition to a salary, many employees are provided benefits over their years of service that will not be received until their employment with the State ends. The most common of these postemployment benefits is a pension. Other postemployment benefits (OPEB) provided are healthcare and life insurance benefits. For fiscal years prior to 2009, the costs of providing the State's portion of retiree medical and life insurance benefit premiums were recognized as an expense when the benefit premiums were due and were financed on a pay-as-you-go basis. Effective July 1, 2008, the Sabine Parish School Board implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other postemployment benefits. The premiums will still be financed on a pay-as-you-go basis.

Plan Description

The Sabine Parish School Board's (SPSB) employees participate in the State of Louisiana's OPEB plan, Office of Group Benefits (OGB), is the administrator for the agent multiple-employer defined benefit OPEB plan. It provides healthcare coverage and life insurance to eligible participants who are employees of SBSB. The SPSB had 427 active participants and 351 retired participants in the plan for the fiscal year ending June 30, 2014. Benefit provisions are established or may be amended under the authority of LRS 42:802. All benefits and premium structures are reviewed by the OGB Policy and Planning Board. OGB does not issue stand-alone financial report of the Plan; however, the financial information is included in the State's Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained on the website at <http://www.doa.louisiana.gov/OSRAP/CAFR-2.htm>.

Funding Policy

Substantially all employees become eligible for postretirement benefits if they reach normal retirement age while working for the State and area member of OGB. Life insurance for the individual employee is financed by equal contributions from the State and the employee; insurance for eligible dependents and voluntary optional life products are funded totally through employee contributions. To be eligible for retiree health insurance coverage, the coverage must be in effect prior to the retirement date. For those beginning participation or rejoining on or after January 1, 2002, the state subsidy of the premium is based on the number of years in a Group Benefits Health Plan. This also applies to dependents that begin coverage after July 1, 2002. OGB offers three standard healthcare plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans which includes one HMO plan and one private fee-for-service (FFS) plan. Administrative costs of the OGB plan are financed through the premiums collected for all classes of active and retired plan members.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

Contribution amounts vary depending on which healthcare provider is selected from the plan, years of participation, and if the member has Medicare coverage. Following is a summary of plan provisions.

Health Insurance Monthly Premiums

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Contribution %</u>	<u>Employee Contribution %</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Life insurance premiums are as follows, retiree pays 50 cents for each \$1,000 of life insurance and 88 cents for each \$1,000 of spouse life insurance.

Annual OPEB Cost and Net OPEB Obligation

The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Effective July 1, 2008, the Sabine Parish School Board implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other postemployment benefits and the OPEB liability at transition was zero. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows:

Annual Required Contribution	\$ 4,341,900
Annual OPEB cost	\$ 4,341,900
Premium payments made on behalf of retirees	\$ 2,349,525
Increase in net OPEB obligation	\$ 1,992,375
Net OPEB obligation, beginning	<u>\$15,898,007</u>
Net OPEB obligation, ending	\$ 17,890,382
Percentage of Annual OPEB Cost Contributed	54.11%

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$61,944,700 for Sabine Parish School Board, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$15,852,900, and the ratio of unfunded actuarial accrued liability to the covered payroll was 391%.

Actuarial valuation of the plan involves estimates of the value of reported amounts and

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 8% investment rate of return (net of administrative expenses). The unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll amortization method on an open basis. The remaining amortization period at June 30, 2014, was 26 years. The actuarially determined funding progress and required contributions for OGB OPEB Plan using the projected unit credit method is as follows:

Schedule of Funding Progress

Actuarial valuation date	7/01/2013
Actuarial accrued liability (AAL)	\$61,944,700
Unfunded AAL (UAAL)	\$61,944,700
Funded ratio	0%
Covered payroll	\$15,852,900
UAAL as a Percentage of Covered Payroll	391%

Schedule of Employer Contributions

Annual Required Contribution (ARC)	\$4,341,900
Premium payments made on behalf of retirees	\$2,349,525
Percentage Contributed	54.11%

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

9. ACCOUNTS, SALARIES, AND OTHER PAYABLES

Payables of \$8,959,210 at June 30, 2014, are as follows:

	General Fund	Zwolle Reserve for Roof & A/C Fund	Other Governmental Funds	Total
Salaries & withholdings	\$ 5,832,060	-	\$ 879,262	\$ 6,711,322
Accounts payable	249,509	466,377	1,424,115	2,140,001
Other	107,887	-	-	107,887
Total	<u>\$ 6,189,456</u>	<u>\$ 466,377</u>	<u>\$ 2,303,377</u>	<u>\$ 8,959,210</u>

10. COMPENSATED ABSENCES

At June 30, 2014, employees of the School Board have accumulated and vested \$733,255 of employee leave benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

11. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2014:

	Balance, July 1, 2013	Additions	Principal Payments	Balance, June 30, 2014	Due within one year
Bonds payable	\$ 12,001,537	\$ 17,225,000	\$ 1,546,358	\$ 27,680,179	\$ 1,818,341
Certificates of Indebtedness	1,363,498		189,498	1,174,000	206,000
Compensated Absences	654,249	79,006		733,255	36,663
Total	<u>\$ 14,019,284</u>	<u>\$ 17,304,006</u>	<u>\$ 1,735,856</u>	<u>\$ 29,587,434</u>	<u>\$ 2,061,004</u>

All school board bonds outstanding at June 30, 2014, for \$27,680,179, are general obligation or sales tax bonds. The individual issues are as follows:

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

Bond Issue	Original Issue Amount	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding	Funding Source
General Obligation:						
Zwolle #61 Refunding, 5/25/2006	\$ 1,520,000	.1% to 4.75%	3/1/2020	\$ 217,562	\$ 970,000	Sabine State Bank
Zwolle, 10/20/2010	1,000,000	.1% to 4.95%	3/1/2030	412,149	975,000	Sabine State Bank
Converse #8A Refunding, 7/18/2003	519,000	.1% to 4.95%	3/1/2021	57,382	232,000	Sabine State Bank
Converse #8A Refunding, 12/20/2007	1,465,000	.1% to 4.5%	3/1/2019	148,272	795,000	Argent Trust
Ebarb #17 Refunding, 12/05/2002	350,000	4.55%	2/1/2016	10,237	75,000	City Bank & Trust
Ebarb #17, 3/28/2007	1,159,000	4.125%	3/28/2037	658,109	1,008,179	USDA
Many #34 Refunding, 4/3/2006	3,240,000	3.95% to 4.15%	3/1/2020	411,155	2,080,000	Whitney Bank
Pleasant Hill #42 Refunding, 8/11/2003	712,000	.1% to 4.95%	2/1/2020	66,850	298,000	Sabine State Bank
Negreet #62A Refunding, 05/25/2006	3,325,000	1% to 4.75%	3/1/2018	276,200	1,545,000	JP Morgan Chase
South Sabine #20, 03/01/2011	2,300,000	2.25% to 4%	3/1/2026	589,330	2,045,000	Whitney Bank
Many School District# 34, 03/19/14	17,225,000	2% to 4	3/1/2034	7,948,573	17,225,000	Whitney Bank
Sales Tax:						
Zwolle #2 Refunding, 5/1/2001	1,100,000	5.1%	8/1/2020	57,500	432,000	Bank of NY Trust Co.
Total Bonds				<u>\$ 10,853,319</u>	<u>\$ 27,680,179</u>	

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish (or other as indicated). At June 30, 2014, the school board has accumulated \$2,069,625 in the debt service funds for future debt requirements. The bonds are due as follows:

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014.

Year Ending June 30,	Principal Payments	Interest Payments	Total
2015	\$ 1,818,341	\$ 1,032,425	\$ 2,850,766
2016	1,904,469	999,899	2,904,368
2017	1,946,644	926,235	2,872,879
2018	2,042,866	850,620	2,893,486
2019	1,695,140	770,826	2,465,966
2020-2024	6,012,712	3,009,465	9,022,177
2025-2029	5,837,413	1,930,788	7,768,201
2030-2037	6,422,594	857,622	7,280,216
Total	\$ <u>27,680,179</u>	\$ <u>10,377,880</u>	\$ <u>38,058,059</u>

In accordance with R.S. 39:562, the school board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2014, the statutory limit is \$59,319,827, and outstanding bonded debt totals \$27,680,179.

In addition, the school board is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75% of the avails of the tax. The school board was within this 75% limitation in 2001 and 2006, when the sales tax bonds were issued.

The individual Certificates of Indebtedness are as follows:

Certificate of Indebtedness	Original Issue Amount	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding	Funding Source
Sabine Parish SB, 6/5/2003	\$ 1,185,000	2.35% to 5%	1/1/2019	\$ 0	\$90,000	Hancock Bank, Argent Trust
GF Excess Revenue, 7/31/2008	500,000	3.77%	7/1/2018	21,263	221,000	Hancock Bank, LPFA
Ebarb School Improvement, 7/2008	500,000	4.09%	8/1/2021	47,051	333,000	Hancock Bank, LPFA
Sabine Parish SB, Refunding	631,000	0.9% to 3.25%	1/1/2019	36,236	530,000	Sabine State Bank
				<u>\$ 104,550</u>	<u>\$1,174,000</u>	

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

The certificates are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2015	\$ 206,000	\$ 30,305	\$ 236,305
2016	210,000	25,697	235,697
2017	217,000	20,254	237,254
2018	229,000	14,080	243,080
2019	174,000	7,147	181,147
2020-2022	138,000	7,067	145,067
Total	\$ <u>1,174,000</u>	\$ <u>104,550</u>	\$ <u>1,278,550</u>

Defeased Debt:

In prior years, the school board defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the school board's financial statements. On June 30, 2014, a total of \$7,762,000 of bonds outstanding is considered defeased.

12. INTER-FUND TRANSFERS

The following is a summary of inter-fund transfers:

Receiving Fund	Paying Fund	Amount
General	Other Governmental	\$ 525,691
Other Governmental	General	398,500
Other Governmental	Other Governmental	183,326
Total		\$ <u>1,107,517</u>

The purpose of the transfers was to provide funds for general operating activities. All transfers were routine and consistent with the fund making the transfer.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2014

13. RISK MANAGEMENT

The school district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With respect to the aforementioned risks, with the exception of property losses below the policy deductibles, and for injuries to employees (worker's compensation), the school board has obtained commercial insurance, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

With respect to injuries to employees (worker's compensation), the school board has initiated a risk management program for worker's compensation insurance. Operation of this program is accounted for within the General Fund and funds are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers claims in excess of \$200,000 with an aggregate limit of \$1,000,000. Interfund premiums are based primarily on the individual funds' payroll and are reported as expenditures in the individual funds.

14. LITIGATION AND CLAIMS

The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

15. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$21,664,650 to the School Board, which represents approximately 46% of the School Board's total revenue for the year.

16. PERFORMANCE-BASED ENERGY EFFICIENCY CONTRACT

In prior years, the School Board entered into an energy performance contract with Siemens Building Technologies, Inc. (Energy Service Company or ESCO) for the purpose of the purchase and installation of an energy saving scope of work. ESCO installed equipment designed to save energy and reduce related costs for certain property and buildings owned by the School Board.

The Louisiana Attorney General issued an opinion (A.G. Opinion Number 07-0002) regarding a similar contract with another school board and concluded that because the operational stipulated savings are not guaranteed by the contractor, the contract does not meet the statutory definition of a performance-based energy efficiency contract.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2013

The contractor sued the other school board in the 18th Judicial District Court for payment relating to the contract. The court found for the School Board and determined that the contract was not fully guaranteed and was found to be null and void. Siemen's requests for review and reversal by the Fifth Circuit Court of Appeals and the Supreme Court were rejected.

The contract of the Sabine Parish School Board, in addition to the operational stipulated savings clause, the contract also contains a verifiable (measured) energy savings clause. The School Board entered into the contract based solely on the savings provided by the verifiable (measured) energy savings clause without consideration for the amount of the stipulated savings clause. Management of the School Board determined that their verifiable (measured) savings is more than the annual payments being made, and they will continue to monitor the performance of the contract.

17. SUBSEQUENT EVENTS

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Sabine Parish School Board evaluated the activity of the board through the date the financial statements were available to be issued and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

18. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$2,352 was made to correctly present vehicles and equipment.

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**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

Budgetary Comparison Schedules

GENERAL FUND: The general fund accounts for all activities of the School Board except those activities that are accounted for in other funds.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (Budgetary Basis)	VARIANCE WITH FINAL BUDGET Positive (Negative)
	ORIGINAL	FINAL		
BUDGETARY FUND BALANCES, BEGINNING	\$ (2,632,389)	\$ 8,486,787	\$ 13,010,926	\$ 4,524,139
RESOURCES (Inflows)				
Local sources:				
Taxes:				
Ad valorem	10,282,152	9,547,687	2,487,586	(7,060,101)
Sales and use	0	0	6,816,954	6,816,954
Interest earnings	0	0	52,982	52,982
Other	0	0	190,165	190,165
Transfers from other funds	7,665,416	7,911,884	525,691	(7,386,193)
Total local sources	<u>17,947,568</u>	<u>17,459,571</u>	<u>10,073,378</u>	<u>(7,386,193)</u>
State sources:				
Minimum Foundation Program	20,949,985	21,386,612	21,386,612	-
Other	<u>1,555,112</u>	<u>1,705,300</u>	<u>1,705,300</u>	<u>-</u>
Total state sources	<u>22,505,097</u>	<u>23,091,912</u>	<u>23,091,912</u>	<u>-</u>
Federal sources	<u>0</u>	<u>277</u>	<u>277</u>	<u>0</u>
Amounts available for appropriations	<u>37,820,276</u>	<u>49,038,547</u>	<u>46,176,493</u>	<u>(2,862,054)</u>
CHARGES TO APPROPRIATIONS (Outflows)				
Instruction:				
Regular programs	15,743,257	15,371,502	15,374,010	(2,508)
Special programs	4,210,343	4,148,704	4,148,704	0
Vocational programs	1,383,820	1,343,463	1,343,463	0
All other programs	1,686,793	1,544,262	1,544,262	0
Support services:				
Student services	1,471,134	1,343,249	1,343,249	0
Instructional staff support	1,908,155	1,492,421	1,492,421	0
General administration	732,296	650,457	650,457	0
School administration	2,157,501	2,090,828	2,090,828	0
Business services	454,885	489,833	489,833	0
Plant services	2,421,784	2,508,387	2,508,387	0
Student transportation services	3,082,024	2,812,150	2,812,150	0
Central services	500,310	590,891	590,891	0
School food services	128,652	62,735	62,735	0
Community service programs	155,814	182,194	182,194	0
Capital outlay	25,000	89,398	89,398	0
Debt service payments	181,474	178,775	178,775	0
Transfers to other funds	7,601,872	7,840,984	398,500	7,442,484
Total charges to appropriations	<u>43,845,114</u>	<u>42,740,233</u>	<u>35,300,257</u>	<u>7,439,976</u>
BUDGETARY FUND BALANCES, ENDING	\$ (6,024,838)	\$ 6,298,314	\$ 10,876,236	\$ 4,577,922

The accompanying notes are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
GENERAL FUND
Budget to GAAP Reconciliation
For the Year Ended June 30, 2014

Sources/inflows of resources:

Actual amounts (budgetary basis) available for appropriation: \$ 46,176,493

Fund Balance at the beginning of the year is a budgetary resource, but is not a current year revenue for financial reporting purposes: (13,010,926)

Transfers from other funds are a budgetary resource, but is not a current year revenue for financial reporting purposes: (525,691)

Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances (Exhibit E) 32,639,876

Uses/outflows of resources:

Actual amounts (budgetary basis) charges to appropriations: 35,300,257

Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes: (398,500)

Total expenditures as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances (Exhibit E) \$ 34,901,757

Sabine Parish School Board
Notes to the Required Supplementary Information
For the Year Ended June 30, 2014

A. BUDGETS

General Budget Practice: The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original and adopted budget and all subsequent amendments. These revisions were not considered significant.

Budget Basis of Accounting: All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

SCHEDULES REQUIRED BY STATE LAW

(R. S. 24:514—PERFORMANCE AND STATISTICAL DATA)

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES TO THE
MANAGEMENT OF SABINE PARISH SCHOOL BOARD**

Superintendent and School Board
Sabine Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Sabine Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Sabine Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplementary information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

Comment: No findings were noted as a result of applying agreed upon procedure.

Education Levels of Public School Staff (Schedule 2)

1. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 2) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

Comment: No findings were noted as a result of applying agreed upon procedure.

2. We reconciled the combined total of principals and assistant principals per the schedule, "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 3) to the combined total of principals and assistant principals per this schedule.

Comment: No findings were noted as a result of applying agreed upon procedure.

3. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: No findings were noted as a result of applying agreed upon procedure.

Number and Type of Public Schools (Schedule 3)

We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Comment: No findings were noted as a result of applying agreed upon procedure.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: No findings were noted as a result of applying agreed upon procedure.

Public School Staff Data: Average Salaries (Schedule 5)

1. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: No findings were noted as a result of applying agreed upon procedure.

2. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: No findings were noted as a result of applying agreed upon procedure.

Class Size Characteristics (Schedule 6)

We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

Comment: No findings were noted as a result of applying agreed upon procedure.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Any Parish School Board.

Comment: No findings were noted as a result of applying agreed upon procedure.

Graduation Exit Examination (GEE) (Schedule 8)

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Any Parish School Board.

Comment: No findings were noted as a result of applying agreed upon procedure.

iLEAP Tests (Schedule 9)

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Any Parish School Board.

Comment: No findings were noted as a result of applying agreed upon procedure.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of Sabine Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
October 21, 2014

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2014

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 13,279,848	
Other Instructional Staff Activities	1,151,707	
Instructional Staff Employee Benefits	7,124,471	
Purchased Professional and Technical Services	39,572	
Instructional Materials and Supplies	657,451	
Total Teacher and Student Interaction Activities		\$ 22,253,049

Other Instructional Activities	51,100	
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Pupil Support Activities	1,343,249	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Activities		1,343,249

Instructional Staff Services	1,490,491	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,490,491

School Administration	2,090,828	
Less: Equipment for School Administration	-	
Net Instructional Staff Services		2,090,828

Total General Fund Instructional Expenditures		<u>27,228,717</u>
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Total General Fund Equipment Expenditures		<u>-</u>
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Certain Local Revenue Sources

Local Taxation Revenues:

Constitutional Ad Valorem Taxes	\$ 866,900	
Renewable Ad Valorem Taxes	3,127,523	
Debt Service Ad Valorem Taxes	1,250,579	
Up to 1% of Collections by the Sheriff on Taxes	152,012	
Other than School Taxes	53,527	
Sales and Use Taxes	8,479,792	
Total Local Taxation Revenues		\$ <u>13,930,333</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 26,886	
Earnings from Other Real Property	193	
Total Local Earnings on Investment in Real Property		\$ <u>27,079</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	33,104	
Revenue Sharing - Other Taxes	114,521	
Total State Revenue in Lieu of Taxes		<u>147,625</u>

Nonpublic Textbook Revenue	\$ <u>0</u>
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Nonpublic Transportation Revenue	\$ <u>0</u>
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Education Levels of Public School Staff
As of October 1, 2013

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified Number	Percent	Uncertificated Number	Percent	Certified Number	Percent	Uncertificated Number	Percent
Less than a Bachelor's Degree	1	0%	-		-	0%	-	
Bachelor's Degree	228	76%	-		-	0%	-	
Master's Degree	51	17%	-		12	71%	-	
Master's Degree + 30	17	6%	-		4	23%	-	
Specialist in Education	3	1%	-		1	6%	-	
Ph. D. or Ed. D	1	0%	-		-	0%	-	
	301	100%	0	0%	17	100%	0	0%

Sabine Parish School Board
Many, Louisiana

Schedule 3

Number and Type of Public Schools
For the Year Ended June 30, 2014

Type	Number
Elementary	2
Middle / Jr. High	1
Secondary	1
Combination	6
	<hr/> 10

Experience of Public School Principals, Assistant Principals and Full-time Classroom Teachers
As of October 1, 2013

Type	Years of Experience							Total
	0-1 Year	2-3 Years	4-10 Years	11-14 Years	15-19 Years	20-24 Years	25 + Years	
Assistant Principals	0	0	3	0	1	0	3	7
Principals	0	0	1	0	2	4	3	10
Classroom Teachers	26	23	87	37	59	26	43	301
	26	23	91	37	62	30	49	318

Public School Staff Data
For the Year Ended June 30, 2014

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retiree and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	46,701	46,512
Average Classroom Teachers' Salary Excluding Extra Compensation	45,982	45,794
Number of Teacher Full-time Equivalents (FTEs) used in computation of Average Salaries	297	288

Class Size Characteristics
As of October 1, 2013

School Type	Class Size Range							
	1-20		21-26		27-33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	2%	25	1%	6	0%	-	0%	-
Elementary Activity Classes	5%	66	5%	19	0%	-	0%	-
Middle / Jr. High	4%	47	1%	6	11%	7	35%	9
Middle / Jr. High Activity Classes	3%	34	13%	54	14%	9	0%	-
High	6%	83	2%	7	5%	3	4%	1
High Activity Classes	4%	46	6%	23	1%	1	0%	-
Combination	34%	437	18%	71	30%	19	61%	16
Combination Activity Classes	42%	542	54%	215	39%	25	0%	-
Other	0%	0	0%	-	0%	-	0%	-
	100%	1,280	100%	401	100%	64	100%	26

Louisiana Educational Assessment Program (LEAP)
For the Years Ended June 30, 2014, 2013 and 2012

District Achievement Level Results Students:	English Language Arts					
	2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent
Grade 4						
Advanced	20	6%	16	6%	14	5%
Proficient	85	25%	67	24%	71	23%
Basic	155	45%	143	50%	150	48%
Approaching Basic	56	16%	47	17%	46	15%
Unsatisfactory	25	7%	11	4%	29	9%
Total	341	100%	284	100%	310	100%

	Mathematics					
	2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent
	52	15%	33	12%	26	8%
	99	29%	79	28%	56	18%
	121	35%	115	40%	155	50%
	42	12%	34	12%	50	16%
	27	8%	23	8%	23	7%
	341	100%	284	100%	310	100%

District Achievement Level Results Students:	Science					
	2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent
Grade 4						
Advanced	14	4%	7	2%	21	7%
Proficient	59	17%	51	18%	46	15%
Basic	175	51%	149	53%	139	45%
Approaching Basic	70	21%	61	22%	79	25%
Unsatisfactory	23	7%	15	5%	25	8%
Total	341	100%	283	100%	310	100%

	Social Studies					
	2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent
	3	1%	8	3%	2	1%
	55	16%	44	16%	46	15%
	199	58%	162	57%	174	56%
	60	18%	46	16%	51	16%
	24	7%	23	8%	38	12%
	341	100%	283	100%	311	100%

District Achievement Level Results Students:	English Language Arts					
	2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent
Grade 8						
Advanced	11	4%	11	4%	13	4%
Proficient	53	18%	63	22%	77	26%
Basic	158	54%	137	47%	124	43%
Approaching Basic	58	20%	68	23%	56	19%
Unsatisfactory	12	4%	14	5%	21	7%
Total	292	100%	293	100%	291	100%

	Mathematics					
	2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent
	8	3%	5	2%	17	5%
	12	4%	23	8%	18	5%
	176	60%	175	60%	182	52%
	68	23%	62	21%	55	16%
	28	10%	28	10%	79	23%
	292	100%	293	100%	351	100%

District Achievement Level Results Students:	Science					
	2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent
Grade 8						
Advanced	10	3%	8	3%	4	1%
Mastery	40	14%	41	14%	74	26%
Basic	151	52%	145	50%	127	44%
Approaching Basic	75	26%	77	26%	66	23%
Unsatisfactory	14	5%	20	7%	17	6%
Total	290	100%	291	100%	288	100%

	Social Studies					
	2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent
	4	1%	3	1%	7	2%
	40	14%	36	12%	56	19%
	152	52%	161	55%	160	55%
	72	25%	57	20%	44	15%
	22	8%	34	12%	22	8%
	290	100%	291	100%	289	100%

Graduation Exit Examination (GEE)
For the Years Ended June 30, 2014, 2013 and 2012

District Achievements Level Results Students:	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	-	-	-	-	-	-	-	-	-	-	-	-
Proficient	-	-	-	-	-	-	-	-	-	-	-	-
Basic	-	-	-	-	-	-	-	-	-	-	-	-
Approaching Basic	-	-	-	-	-	-	-	-	-	-	-	-
Unsatisfactory	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

District Achievements Level Results Students:	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	-	-	-	-	8	4%	-	-	-	-	2	1%
Proficient	-	-	-	-	38	18%	-	-	-	-	19	9%
Basic	-	-	-	-	97	46%	-	-	-	-	129	61%
Approaching Basic	-	-	-	-	50	24%	-	-	-	-	46	22%
Unsatisfactory	-	-	-	-	18	9%	-	-	-	-	15	7%
Total	-	-	-	-	211	100%	-	-	-	-	211	100%

iLEAP Test Results
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	14	4%	35	11%	9	3%	1	0%
Proficient	81	26%	77	24%	76	24%	60	19%
Basic	139	44%	105	33%	135	43%	141	45%
Approaching Basic	46	15%	54	17%	75	24%	69	22%
Unsatisfactory	35	11%	44	14%	20	6%	44	14%
Total	315	100%	315	100%	315	100%	315	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	9	3%	31	11%	7	2%	7	2%
Proficient	57	20%	33	12%	43	15%	44	15%
Basic	143	50%	133	47%	145	51%	149	52%
Approaching Basic	48	17%	48	17%	71	25%	59	21%
Unsatisfactory	29	10%	41	14%	20	7%	27	9%
Total	286	100%	286	100%	286	100%	286	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	9	3%	14	5%	9	3%	22	7%
Proficient	52	17%	37	12%	45	15%	40	13%
Basic	161	54%	182	61%	156	52%	143	48%
Approaching Basic	67	22%	43	14%	70	23%	66	22%
Unsatisfactory	10	3%	23	8%	19	6%	28	9%
Total	299	100%	299	100%	299	100%	299	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	13	5%	26	9%	6	2%	9	3%
Proficient	16	7%	38	13%	63	22%	50	18%
Basic	148	62%	140	49%	130	46%	143	51%
Approaching Basic	47	20%	56	20%	62	22%	55	19%
Unsatisfactory	15	6%	23	8%	22	8%	26	9%
Total	239	100%	283	100%	283	100%	283	100%

iLEAP Test Results
For the Year Ended June 30, 2013

District Achievement Level Results Grade 3	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	14	5%	23	8%	24	8%	7	2%
Proficient	66	22%	62	21%	66	22%	49	16%
Basic	152	51%	141	47%	140	47%	165	55%
Approaching Basic	48	16%	45	15%	53	18%	48	16%
Unsatisfactory	18	6%	27	9%	15	5%	29	10%
Total	298	100%	298	100%	298	100%	298	100%

District Achievement Level Results Grade 5	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	15	5%	11	4%	3	1%	13	5%
Proficient	48	17%	44	16%	47	17%	49	18%
Basic	148	53%	123	44%	141	51%	142	51%
Approaching Basic	53	19%	54	19%	73	26%	53	19%
Unsatisfactory	13	5%	45	16%	13	5%	20	7%
Total	277	100%	277	100%	277	100%	277	100%

District Achievement Level Results Grade 6	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	15	6%	16	6%	5	2%	33	13%
Proficient	46	18%	43	17%	54	21%	39	15%
Basic	146	57%	151	59%	129	50%	132	51%
Approaching Basic	39	15%	29	11%	54	21%	40	16%
Unsatisfactory	11	4%	18	7%	15	6%	13	5%
Total	257	100%	257	100%	257	100%	257	100%

District Achievement Level Results Grade 7	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	18	7%	11	4%	6	2%	7	3%
Proficient	58	21%	46	17%	56	21%	43	16%
Basic	139	51%	154	57%	129	47%	138	51%
Approaching Basic	50	18%	39	14%	68	25%	56	21%
Unsatisfactory	7	3%	22	8%	13	5%	28	10%
Total	272	100%	272	100%	272	100%	272	100%

iLEAP Test Results
For the Year Ended June 30, 2014

District Achievement Level Results Grade 3	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	10	3%	27	9%	7	2%	4	1%
Proficient	58	18%	42	13%	42	13%	27	9%
Basic	125	40%	121	38%	138	44%	150	48%
Approaching Basic	69	22%	76	24%	80	25%	79	25%
Unsatisfactory	53	17%	49	16%	48	15%	55	17%
Total	315	100%	315	100%	315	100%	315	100%

District Achievement Level Results Grade 5	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	10	4%	6	2%	5	2%	8	3%
Proficient	43	16%	27	10%	42	15%	22	8%
Basic	128	47%	125	46%	131	48%	141	51%
Approaching Basic	66	24%	57	21%	75	27%	77	28%
Unsatisfactory	27	10%	59	22%	21	8%	26	9%
Total	274	100%	274	100%	274	100%	274	100%

District Achievement Level Results Grade 6	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	7	3%	15	5%	5	2%	22	8%
Mastery	46	17%	32	12%	27	10%	34	12%
Basic	144	53%	153	56%	149	55%	138	51%
Approaching Basic	58	21%	53	19%	71	26%	63	23%
Unsatisfactory	18	7%	20	7%	21	8%	16	6%
Total	273	100%	273	100%	273	100%	273	100%

District Achievement Level Results Grade 7	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	17	6%	13	5%	9	3%	12	4%
Proficient	52	19%	34	13%	72	27%	42	16%
Basic	131	49%	170	64%	117	44%	143	54%
Approaching Basic	51	19%	33	12%	58	22%	50	19%
Unsatisfactory	16	6%	17	6%	11	4%	20	7%
Total	267	100%	267	100%	267	100%	267	100%

SUPPLEMENTARY INFORMATION

SABINE PARISH SCHOOL BOARD
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2014

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
Assets				
Cash and cash equivalents	\$ 8,458,206	\$ 2,391,198	\$ -	\$ 10,849,404
Investments	-	-	-	-
Receivables	2,276,142	14,647	33,542	2,324,331
Inventory	102,442	-	-	102,442
TOTAL ASSETS	<u>\$ 10,836,790</u>	<u>\$ 2,405,845</u>	<u>\$ 33,542</u>	<u>\$ 13,276,177</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts, salaries, and other payables	2,303,377	-	-	2,303,377
Deposits due others	1,183,551	-	-	1,183,551
Total Liabilities	<u>3,486,928</u>	<u>-</u>	<u>-</u>	<u>3,486,928</u>
Fund Balances:				
Restricted:				
Debt Service	-	2,405,845	-	2,405,845
Capital Projects	2,912,203	-	-	2,912,203
Food Service	1,326,855	-	-	1,326,855
Other purposes	3,144,346	-	-	3,144,346
Total Fund Balances	<u>7,383,404</u>	<u>2,405,845</u>	<u>-</u>	<u>9,789,249</u>
Total Liabilities and Fund Balances	<u>\$ 10,870,332</u>	<u>\$ 2,405,845</u>	<u>\$ -</u>	<u>\$ 13,276,177</u>

The notes to the financial statements are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2014

	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,671,919	\$ 1,250,579	\$ -	\$ 2,922,498
Sales and use	805,549	585,295	312,451	1,703,295
Interest earnings	7,787	3,607	3,945	15,339
Charges for services	406,381	-	-	406,381
Other	6,060	-	4,887	10,947
Total Local Sources	<u>2,897,696</u>	<u>1,839,481</u>	<u>321,283</u>	<u>5,058,460</u>
State sources:				
Minimum Foundation Program	278,038	-	-	278,038
Other	58,727	-	-	58,727
Total State Sources	<u>336,765</u>	<u>-</u>	<u>-</u>	<u>336,765</u>
Federal Sources	<u>8,557,740</u>	<u>-</u>	<u>-</u>	<u>8,557,740</u>
TOTAL REVENUES	<u>11,792,201</u>	<u>1,839,481</u>	<u>321,283</u>	<u>13,952,965</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	267,490	8,966	49,779	326,235
Special programs	578,934	-	-	578,934
Vocational programs	44,114	-	-	44,114
All other programs	2,961,816	-	-	2,961,816
Support services:				
Student services	130,227	-	-	130,227
Instructional staff support	1,999,257	-	-	1,999,257
General administration	92,095	45,541	-	137,636
School administration	77,386	-	-	77,386
Business services	4,447	-	-	4,447
Plant services	1,050,270	-	204,533	1,254,803
Student transportation services	254,421	-	-	254,421
Central services	7,779	-	-	7,779
School food services	2,904,256	-	-	2,904,256
Community service programs	15,128	-	-	15,128
Capital outlay	106,650	-	176,087	282,737
Debt service:				
Principal retirement	10,000	1,569,856	-	1,579,856
Interest and bank charges	1,132	496,268	-	497,400
Other	-	4,574	-	4,574
Total expenditures	<u>10,505,402</u>	<u>2,125,205</u>	<u>430,399</u>	<u>13,061,006</u>
EXCESS (Deficiency) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,286,799</u>	<u>(285,724)</u>	<u>(109,116)</u>	<u>891,959</u>
OTHER FINANCING SOURCES (Uses)				
Operating transfers in	311,000	160,000	110,826	581,826
Operating transfers out	(709,017)	-	-	(709,017)
Accrued interest and premium on bonds sold	-	343,067	-	343,067
Sale of capital assets	747	-	-	747
Total other financing sources (uses)	<u>(397,270)</u>	<u>503,067</u>	<u>110,826</u>	<u>216,623</u>
NET CHANGES IN FUND BALANCES	<u>889,529</u>	<u>217,343</u>	<u>1,710</u>	<u>1,108,582</u>
FUND BALANCES - JULY 1, 2013	<u>4,050,350</u>	<u>2,188,502</u>	<u>2,441,815</u>	<u>8,680,667</u>
FUND BALANCES - JUNE 30, 2014	<u>\$ 4,939,879</u>	<u>\$ 2,405,845</u>	<u>\$ 2,443,525</u>	<u>\$ 9,789,249</u>

The notes to the financial statements are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
SUPPLEMENTARY INFORMATION SCHEDULES
As of and for the Year Ended June 30, 2014

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue:

Food Service Fund: To assist, through cash grants and food donations, in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

Preschool Grants: To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children from 3 through 5 years old.

Title II: The purpose of the program is to increase academic achievement by improving teacher and principal quality. This program is carried out by: increasing the number of highly qualified teachers in classrooms; increasing the number of highly qualified principals and assistant principals in schools; and increasing the effectiveness of teachers and principals by holding schools accountable for improvements in student academic achievement.

Head Start: To provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, including Indian children on federally-recognized reservations, and children of migratory workers and their families; and to involve parents in activities with their children so that the children will attain overall social competence.

School-Based Mental Health: This program provides grants to SEAs, LEAs, and Indian tribes for the purpose of increasing student access to quality mental health care by developing innovative programs that link school systems with local mental health systems.

Indian Education: This program is designed to address the unique education and culturally related academic needs of American Indian and Alaska Native students, including preschool children, so that these students can achieve to the same challenging state performance standards expected of all students. The program is the Department's principal vehicle for addressing the particular needs of Indian children.

IDEA (Special Education Grants): Funds are used by State and local educational agencies, in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services.

Adult Education: To fund local programs of adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and civics education programs. Participation in these programs is limited to adults and out-of-school youths aged 16 and older who do not have a high school diploma or equivalent.

Vocational Education: To develop more fully the academic, career, and technical skills of secondary and post-secondary students who elect to enroll in career and technical education programs.

Temporary Assistance to Needy Families: To provide grants to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.

English Language Acquisition: To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaska Native children with certain modifications relative to the unique status of native American language under Federal Law; to award competitive grants in order to provide professional development activities to improve classroom instruction for LEP children.

Title I: To help local educational agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.

Gaining Early Awareness and Readiness for Undergraduate Programs: Provides 6-year grants to States and partnerships to provide support and maintain a commitment to eligible low-income students, including students with disabilities, to help the students obtain a secondary school diploma (or its recognized equivalent) and to prepare for and succeed in post-secondary education. GEAR UP has two major service components. All projects provide a comprehensive set of early intervention services including mentoring, tutoring, academic and career counseling, parental involvement, and other college preparation activities like exposure to college campuses and financial aid information and assistance. Some projects provide college scholarships to participating students.

Debt Service:

Florien (District 1)
Negreet (District 2)
Many (District 3-5)
Pleasant Hills (District 6)
Converse (District 7)
Zwolle (District 8)
Ebarb (District 9)

The debt service funds are used to account for the accumulation of resources to pay the principal and interest on the School Board's long-term debt.

Capital Projects Funds:

Negreet (District 1)
Many (Districts 3-5)
Converse (District 7)
Zwolle (District 8)
Ebarb (District 9)

The capital projects funds for these districts are used to account for major capital acquisitions or construction.

AGENCY FUND

School Activities Agency Fund: The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

AGENCY FUND**Schedule of Changes in Deposit Balances of Individual School Activity Funds****For the Year Ended June 30, 2014**

<u>School</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Converse	\$ 70,594	\$ 314,189	\$ 310,252	\$ 74,531
Ebarb	66,015	261,359	238,196	\$ 89,178
Florien	58,898	294,726	290,350	\$ 63,274
Headstart	920	15,527	15,382	\$ 1,065
Many	152,604	755,720	775,358	\$ 132,966
Negreet	50,355	277,390	271,999	\$ 55,746
Pleasant Hill	35,221	122,163	155,715	\$ 1,669
Sabine Career Academy	2,769	5,286	5,258	\$ 2,797
Zwolle	74,470	370,632	376,565	\$ 68,537
Total School Activity Funds	<u>\$ 511,846</u>	<u>\$ 2,416,992</u>	<u>\$ 2,439,075</u>	<u>\$ 489,763</u>

SABINE PARISH SCHOOL BOARD
Many, Louisiana
CAPITAL ASSETS

Schedule of Capital Assets by Function
June 30, 2014

Function	Land	Construction in Progress	Buildings and Improvements	Furniture and Equipment	Total
Instructional services	\$ 294,984	\$ 1,250,145	\$ 40,955,344	\$ 2,888,770	\$ 45,389,243
Support services	24,206		3,749,692	954,072	4,727,970
School food services	2,553		322,607	104,250	429,410
Total	\$ 321,743	\$ 1,250,145	\$ 45,027,643	\$ 3,947,092	\$ 50,546,623

Schedule of Changes in Capital Assets by Function
For the Year Ended June 30, 2014

Function	Balance, July 1, 2013	Additions	Deductions	Balance, June 30, 2014
Instructional services	\$ 44,615,766	\$ 1,250,145	\$ 476,668	\$ 45,389,243
Support services	4,586,741	141,229	-	4,727,970
School food services	429,410	-	-	429,410
Total	\$ 49,631,917	\$ 1,391,374	\$ 476,668	\$ 50,546,623

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2014

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment of compensation. Under this method, each member of the school board receives \$600 per month. In addition, the president receives \$100 per month for exercising the duties of the office.

Imon Jones	\$7,200
James R. Martin	7,800
Roderick Davis	7,200
Terrell Snelling	7,200
James (Buddy) Veuleman	7,800
Spencer Faust	7,200
Donald Garcie	7,200
Jessie Dale Skinner	7,200
Donald Remedies	<u>7,200</u>
Total	<u>\$66,000</u>

SABINE PARISH SCHOOL BOARD
Many, Louisiana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
UNITED STATES DEPARTMENT OF AGRICULTURE		
Passed through Louisiana Department of Agriculture & Forestry		
Child Nutrition Cluster:		
Passed through Louisiana Department of Education:		
National School Lunch Program	10.555	\$ 1,909,130
Total United States Department of Agriculture		<u>1,909,130</u>
UNITED STATES DEPARTMENT OF EDUCATION		
Direct programs:		
Indian Education Grants to Local Educational Agencies	84.060	219,852
Subtotal		<u>219,852</u>
Passed through Louisiana Department of Education:		
Adult Education - Basic Grants to States	84.002	68,225
Title I Grants to Local Educational Agencies	84.010	1,580,639
Vocational Education - Basic Grants to States	84.048	44,943
Twenty-First Century Community Learning Centers	84.287	616,645
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	106,870
Rural Education	84.358	101,860
English Language Acquisition State Grants	84.365	24,433
Improving Teacher Quality State Grants	84.367	275,735
Striving Readers Comprehensive Literacy Program	84.371C	981,411
Race to the Top	84.413	15,770
Subtotal		<u>3,816,531</u>
Special Education Cluster:		
Special Education— Grants to States	84.027	891,858
Special Education— Preschool Grants	84.173	7,346
Special Education - State Personnel Development	84.323	20,581
Total Special Education Cluster		<u>919,785</u>
Total United States Department of Education		<u>4,956,168</u>
UNITED STATES DEPARTMENT OF HEALTH & HUMAN SERVICES		
Direct Programs:		
Child Care and Development Block Grant	93.575	6,872
Head Start	93.600	1,187,804
Subtotal		<u>1,194,676</u>
Passed through the Louisiana Department of Education:		
Temporary Assistance for Needy Families	93.558	498,066
Subtotal		<u>498,066</u>
Total United States Department of Health & Human Services		<u>1,692,742</u>
Total Expenditures of Federal Awards		<u>\$ 8,558,040</u>

The accompanying notes are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Sabine Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Noncash Programs

The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Superintendent and School Board
Sabine Parish School Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sabine Parish School Board, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sabine Parish School Board's basic financial statements, and have issued our report thereon dated October 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the school district's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school district's internal control. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sabine Parish School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance

with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
October 21, 2014

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Superintendent and School Board
Sabine Parish School Board

Report on Compliance for Each Major Federal Program

We have audited Sabine Parish School Board's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Sabine Parish School Board's major federal programs for the year ended June 30, 2014. The Sabine Parish School Board's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sabine Parish School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the school district's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the Sabine Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Sabine Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sabine Parish School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the school Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
October 21, 2014

Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section 1: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued: Unmodified.
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? No.
 - b. Significant deficiency(ies) identified? None reported.
3. Noncompliance material to financial statements noted? No.

Federal Awards:

4. Internal control over major programs:
 - a. Material weakness(es) identified? No.
 - b. Significant deficiency(ies) identified? None reported.
5. Type of auditor's report issued on compliance for major programs: Unmodified.
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No.
7. Identification of major programs:
 - a. Headstart
CFDA# 93.600
 - b. Twenty-First Century Community Learning Centers
CFDA# 84.287
 - c. Striving Readers Comprehensive Literacy Program
CFDA #84.371C
8. Dollar threshold used to distinguish between type A and type B programs: \$300,000.
9. Auditee qualified as low-risk auditee? Yes.

Section 2: Findings Relating to the Financial Statements

The results of our tests did not disclose any findings related to the financial statements which are required to be reported by *Government Auditing Standards*.

Section 3: Findings and Questioned Costs for Federal Awards

The results of our tests did not disclose any findings and questioned costs related to the federal awards.